Municipal Affairs

Performance Appraisal of a Chief Administrative Officer

Revised January 2014

Alberta

Capacity Building, Municipal Services Branch
Performance Appraisal of a Chief Administrative Officer
Alberta Municipal Affairs
©2014 Government of Alberta
www.municipalaffairs.alberta.ca

Print Version ISBN No.: 978-1-4601-1205-2
Electronic (PDF) Version ISBN No.: 978-1-4601-1206-9

Printed in Canada

Performance Appraisal of a Chief Administrative Officer

Under Section 205 of the *Municipal Government Act (MGA)*, Council must by bylaw establish the position of Chief Administrative Officer (CAO). Every Council must appoint one or more persons to carry out the powers, duties and functions of the position. In doing so, Council recognizes its fundamental role of setting policy and allowing administration to implement the policy.

Typically, the CAO is the only employee of Council, and is the connecting link between Council and municipal operations. A CAO must assist Council in arriving at decisions and arrange for the efficient execution of those decisions by municipal staff. Most Councils rely on the CAO to ensure an appropriate decision making process is developed and used, staff performance is regularly reviewed, appropriate training is provided, the organizational health is maintained, and all reasonable steps are taken to run the organization professionally and within approved Council policies and the limits of government legislation.

Section 205.1 states that a Council must provide an annual written performance evaluation of the CAO with respect to fulfilling the responsibilities under Section 207. Under this section, the CAO:

- Is the administrative head of the municipality,
- Ensures policies and programs are implemented,
- Advises and informs Council of the municipality's operations and affairs, and
- Carries out responsibilities assigned by the Council.

The CAO is the individual that Council turns to for the organization and its resources to be administered effectively on a day to day basis. It is a position of authority and influence, and one which requires a high degree of trust between Council and the CAO. Council needs to be assured their collective will, as expressed in resolutions approved by the majority, is being promptly and appropriately translated into action by the CAO.

The CAO is expected to be a professional manager whose actions are governed by high ethical standards. The CAO should be recognized as apolitical and thus one whose recommendations are unaffected by political considerations. The employment of a CAO by Council should be based on trust, commitment and an ongoing willingness for communication between both parties. Regular formal and informal communication will help to ensure that problems are identified early and addressed promptly.

Role of the Chief Administrative Officer

The position of chief administrative officer has unique characteristics. The CAO receives direction from a group whose individual concerns, motivations and opinions vary, and serves as their technical or expert advisor. Additionally, the CAO must relate to the public directly and indirectly through municipal staff in a manner that does not conflict with or prejudice the aims and objectives of Council or any of its members.

Another key responsibility of the CAO is to provide staff with direction, guidance and discipline. The CAO should help staff to understand the organization's expectations and to assist the staff in recognizing the relationship of their own work to the entire organization. Further, there is an expectation that the CAO will involve staff in the process of setting goals and objectives through a corporate planning process.

The CAO of the municipality is exposed to the public view and in many cases is the citizens' main link to the municipality. To the press, the CAO is the source for local news or background information. Both relationships depend on the particular style and personality of the individual and how he/she will inevitably be constrained or directed by the policies, wishes and directions of Council.

The rapport that a CAO develops with Council and staff will be read by the public. If the people he/she works with describe him/her as being upfront, honest, having integrity, easy to get along with, etc, then a positive public image will be cultivated.

Purpose of a Performance Appraisal

Council expects the CAO to be an effective advisor; a knowledgeable municipal generalist; an excellent manager of people; an entrepreneurial thinker; a diplomat and a disciplinarian. Successful performance of this complicated role relies heavily on quality feedback from Council. Council needs to develop and maintain a system that will provide it with a continuing awareness of the performance of staff and a channel through which to relay this information back to them. A positive and healthy relationship between the elected officials and the CAO should be cultivated if the organization is to achieve its goals and objectives in a satisfactory manner.

Even though the relationship may seem to be normal and acceptable, there needs to be a process which enables Council to provide an assessment of the CAO. Otherwise the relationship could deteriorate quickly without the CAO realizing there may be problems or inadequacies perceived by Council. Conversely, Council should be aware that performance feedback can be a real motivator, which often results in better outcomes and a happier, more contented employee.

In many cases, the appraisal may need to rely on personal observation as well as comments and actions of staff members. It is not appropriate that staff be directly involved in the appraisal, but an interest in the office operations can tell a lot about an individual.

As stated earlier, the *MGA* requires a Council to conduct a performance appraisal of the CAO on a yearly basis. A performance appraisal system for the CAO is a necessity and should be a separate process from what is applied to the rest of the staff.

Most Council members will not have the opportunity to observe the CAO in action on a daily basis. Their contact may only be meetings. As a result, other criteria must be found which is appropriate to Council as a whole and which takes into account the differences of this contractual relationship.

The performance of the CAO can have such a direct and lasting impact on the ability of Council to carry out its mandate that a functional and successful relationship should be viewed as essential. It is in everyone's best interests that an atmosphere of trust, respect and transparency develop and characterize this relationship.

A performance appraisal should be expected:

- To formally discuss the relationship between the Municipality and the CAO.
- To relate performance to the role, responsibilities, authority and duties as defined by the *MGA*, the bylaws and policies and the job description.
- To set objectives and criteria for future evaluation.
- To recognize strengths and weaknesses and reward or correct them.
- To serve as a basis for salary adjustment.

Criteria

There are various criteria which could be considered in assessing CAO performance. The review should at least include the following areas:

- Management and leadership practices
- Relationship with Council
- Relationship with staff
- Relationship with the public and media
- Objectives and accomplishments
- Areas for improvement/suggested training

The criteria used to determine whether the CAO is the right fit for the community need to be developed and approved by Council. Section 207 of the *MGA* outlines the CAO responsibilities and Section 208 provides the major administrative duties. Each of these sections should be included as the core criteria of the appraisal. The following are some suggested criteria.

1. Management and leadership practices
    a. Does the CAO display a positive leadership style in his/her dealings with the public, staff, Council and municipality?
    b. Does the CAO have a clear understanding of the background of major issues and the decision making process?
    c. Does the CAO model the values of the organization?
    d. Does the CAO show a clear understanding of all issues (including global) that impact the municipality?
    e. Does the CAO ensure resources are allocated in-line with strategic objectives?

2. Relationship with Council
    a. Does the CAO communicate issues and recommended solutions in a timely and effective manner?

b. Does the CAO effectively implement the directions (bylaws, resolutions, policies) of Council?
c. Does the CAO facilitate Council and Councillors work, training and orientation by providing information and well informed advice?
d. Does the CAO respect the power and authority of Council and understand the limitations of the CAO position?
e. Does the CAO respect the role of Council as a whole and of individual Councillors?
f. Does the CAO effectively contribute to a productive working relationship with the Council?

3. Relationship with staff
    a. Does the CAO support and encourage staff to participate in development and training opportunities?
    b. Does the CAO actively retrain and motivate personnel; provide annual performance appraisals; conduct research into competitive compensation; work to attract skilled people to the municipality?
    c. Does the CAO have a cross training and succession plan for all staff positions?
    d. Does the CAO ensure staff has a clear understanding of their roles in relation Council?
    e. Does the CAO ensure staff are involved in the decision making process and informed of the final decisions of Council?

4. Understanding the public and local media
    a. Does the CAO keep the public informed of the services offered by the municipality?
    b. Is the CAO effective in dealings with the public?
    c. Does the CAO convey his/her support of Council to those external to the municipality?
    d. Does the CAO know who the major public stakeholders are and what views they hold in relation to Council and the municipality?
    e. Does the CAO facilitate an effective public engagement process?

5. Objectives and accomplishments
    a. Does the CAO effectively lead the operations of the municipality?
    b. Does the CAO communicate a clear plan that embodies the vision, mission and strategic plan of the municipality?
    c. Does the CAO actively support the Council and the municipality?
    d. Is the CAO effective in establishing objectives, operating and financial plans?
    e. Does the CAO provide continuous monitoring and evaluation of the objectives and plans, adjusting as required?

6. Areas for improvement/suggested training
    a. Are there any specific training opportunities that the CAO should be utilizing?

These are some of the possible criteria a municipality could use when looking at the CAO – Council relationship. There are likely other areas of equal or considerable importance to be taken into consideration.

The Process

The performance appraisal should get at the key issues. There are a number of essential elements to the process.

The Position Description

The position description is used to set out the principal tasks and power of the CAO: to fire, hire or suspend staff; to set levels of remuneration within approved ranges; to accept or award tenders; to purchase items or capital equipment; to reorganize staff; and so on. The clear expression of these key responsibilities and how the CAO is expected to discharge them must be appropriately defined so as to prevent any ambiguity. Therefore it is necessary that Council review the position description with the CAO and ensure that it is current and fully understood. This should be Council's attempt to fully describe the key duties and expectations Council has for the CAO position.

Setting Objectives

Objectives for the CAO should closely reflect and support the objectives of Council and must be agreed upon by the CAO if they are to be attainable.

The two factors of initial agreement and periodic mutual review are extremely important, as the successful accomplishment of these objectives will likely be the only measurable element of the work. Where possible, dates should be set for completion of the objectives as that will provide a realistic measurement.

Format

There are several formats that could be used for the appraisal. An internet search turns up quite a number and a sample is attached as Appendix 1. Council can and should determine the key elements included and the importance that it attaches to each. Council should also note that any format will change over time as the make-up of Council, its priorities, and commitments change. The format you choose is a live document, which will reflect the current standards and criteria of Council, and should be reviewed regularly.

Council must also decide who is going to do the review. There are three options: the full Council, the Mayor/Reeve; or a committee of Council. In most cases the review is conducted by the full Council; however, that can be dependent on the size of Council. No matter how the review is conducted, everyone should provide input. The final report should reflect the majority view. Where there are strong minority views, they should be included as well; however, if the view is from one person, the Council may wish to note that the opinions presented are not unanimously held.

The sample format in Appendix 1 uses a four level rating scale. This scale can be expanded or reduced as the Council wishes; however, each rating level should be fully explained and supported by Council.

The draft appraisal should be reviewed by Council to reach an accepted evaluation of the CAO. This must be done prior to Council meeting with the CAO to discuss the appraisal.

The Appraisal

The performance appraisal discussion with the CAO should be held in-camera, as indicated in Section 19 of the *Freedom of Information and Protection of Privacy Act*. The objective of the meeting is to provide a clear indication of how Council sees the CAO's performance and if required, how and where it could be improved. This should be a shared review session and not a one way process. The Mayor/Reeve should outline the perceptions of Council as recorded and encourage the CAO to offer his/her comments in each case.

The completed appraisal document should be signed by the Mayor/Reeve and the CAO. Each party should retain a signed copy and one should be placed in the confidential personnel file.

The Results

There are some very pertinent results derived from the performance appraisal process. It requires two way communication, allowing views and concerns to be expressed as well as recognition for good work to be highlighted. Performance reviews allow for improvement by exposing problem areas. Positive feedback will likely increase the productivity and effort of the CAO. Recognition is often more rewarding than simple salary increases. The comprehensive discussion between the CAO and Council also allows a review of the organizations strengths and weaknesses. The results of the performance appraisal also provide the first step in setting performance goals for the CAO for the next review period.

APPENDIX 1

SAMPLE FORMAT: CAO PERFORMANCE EVALUATION

This sample is provided for the information and the convenience of municipalities and is not meant to be all encompassing nor does it have any legislative sanction. Information provided is solely for the user's information and is provided strictly as is.

APPENDIX 1

SAMPLE FORMAT: CAO PERFORMANCE EVALUATION

Instructions: *Rating from 0-4:*

0 – Don't know
1 – Falls short of requirements
2 – Meets requirements
3 – Performing beyond requirements
4 - Exceptional

Rate each of the following according to your perception of the performance of the CAO in the past year. Please provide comments or examples to illustrate the rating.

MANAGEMENT AND LEADERSHIP EFFECTIVENESS

1. Leadership style fits the Municipality's needs. Rating _____

_____
_____
_____

1. Obtains and allocates resources consistent with strategic objectives. Rating _____

_____
_____
_____

2. Demonstrates a good understanding of the major issues facing the Council and the Municipality. Rating _____

_____
_____
_____

3. Exercises good judgment in dealing with major issues. Rating _____

_____
_____
_____

4. Demonstrates consistent values of high ethical awareness, honesty, fairness and courage. Rating _____

_____
_____
_____

5. Demonstrates a clear understanding of the local, regional, provincial and national and global issues impacting the Municipality. Rating _____

_____
_____
_____

6. Provides positive leadership to staff and elected officials. Rating _____

7. Identifies, assesses and manages the principal risks to the Municipality. Rating _____

RELATIONSHIP WITH COUNCIL

1. Presents matters to Council within appropriate timelines. Rating _____

2. Acts on Council's resolutions/motions and direction in a timely manner. Rating _____

3. Facilitates Council's governance, decision-making and committee work. Rating _____

4. Facilitates the orientation and training of Councillors. Rating _____

5. Keeps Council fully informed on all important aspects of the status and development of the Municipality. Rating _____

6. Respects the division of authority between Council and the CAO. Rating _____

7. Maintains a positive working relationship with the Mayor and Councillors.

Rating _____

_____

_____

_____

RELATIONSHIP WITH STAFF

2. Actively supports and encourages professional development among the staff.

Rating _____

_____

_____

_____

3. Effectively attracts, retains, motivates and leads a team capable of achieving municipal objectives.

Rating _____

_____

_____

_____

4. Ensures staff succession, including long-term development of candidates for the CAO position.

Rating _____

_____

_____

_____

5. Promotes a clear understanding of roles between staff and elected officials.

Rating _____

_____

_____

_____

6. Ensures an effective participative process of strategic planning to achieve the vision and mission such that Council and employees feel ownership of the final product. Rating _____

_____

_____

_____

7. Ensures staff are involved in a meaningful way with decision making. Rating _____

_____

_____

_____

8. Effectively communicates Council's decisions to staff. Rating _____

_____

_____

_____

RELATIONSHIP WITH THE PUBLIC AND MEDIA

1. Serves as chief administrative spokesperson, communicating effectively with all stakeholders.
Rating _____

_____

_____

_____

2. Appropriately represents Council's direction. Rating _____

_____

_____

_____

3. Appropriately represents the Municipality and Council in the community.
Rating _____

_____

_____

_____

4. Appropriately represents the Municipality and Council outside of the community.
Rating _____

_____

_____

_____

5. Ensure that the public perceive the Council and the Municipality in a positive light.
Rating _____

_____

_____

_____

6. Ensure that the Municipality maintains appropriate public engagement.
Rating _____

_____

_____

_____

APPENDIX 1

SAMPLE FORMAT: CAO PERFORMANCE EVALUATION

OBJECTIVES AND ACCOMPLISHMENTS

1. Leads the operations of the Municipality and communicates a clear plan that reflects Council's vision, mission and strategic plan, and that is well understood, widely supported, consistently applied and effectively implemented. Rating _____

_____

_____

_____

2. Establishes objectives, operating, and financial plans for the Municipality that meet the needs of the public, employees, and the broader community in accordance with legislation and Council policy. Rating _____

_____

_____

_____

3. Continuously monitors and evaluates objectives and plans to ensure they are being achieved and takes action as needed. Rating _____

_____

_____

_____

4. Ensures the Municipality meets or exceeds the financial and operating performance goals as set out in the annual plans. Rating _____

_____

_____

_____

5. Reviews and where appropriate, adjusts the long term strategies and objectives of the Municipality in consultation with Council. Rating _____

_____

_____

_____

6. Effectively manages both the short and long term growth of the Municipality in a manner consistent with the strategic direction adopted by Council. Rating _____

_____

_____

_____

APPENDIX 1

SAMPLE FORMAT: CAO PERFORMANCE EVALUATION

OBJECTIVES: (These should be developed by the CAO and reviewed by Mayor and Council.)

Key Objectives	Results

Overall impression of performance and results achieved.

_____

_____

_____

COMMENTS:

1. What are the CAO's greatest strengths?

_____

_____

_____

2. What are the things that you have most appreciated that the CAO has accomplished so far this year?

_____

_____

_____

3. What are specific areas where the CAO needs to turn his/her attention in the coming year?

_____

_____

_____

4. Are there any specific training opportunities that the CAO should be utilizing?

_____

_____

_____

Signature of CAO (this indicates only that this appraisal has been discussed with you, not that you agree with the ratings).

_____ _____

Mayor or Deputy Mayor CAO

Date: _____ Date: _____